Textile Upgradation Fund

1014. SHRI C. RAMACHANDRAIAH: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Textile Upgradation Fund likely to be down sized;

(b) if so, the details and the reasons therefor;

(c) what steps are proposed to be taken to help the textile sector;

(d) whether the banks have refused to reimburse 5 per cent interest subsidy under Textile Upgradation Fund;

(e) if so, the reasons therefor; and

(f) what steps being taken by Textile Ministry in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) No, Sir.

(b) Does not arise.

(c) The important steps taken by the Government in the recent past to help the Indian Textile Sector are furnished in the Enclosed Statement (*See* Below).

(d) No, Sir.

(e) Does not arise.

(f) Does not arise.

Statement

Measures taken by the Government in the recent past to help the textile sector

- ❖ To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the **Technology Mission on Cotton (TMC).** The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning and Pressing factories.

- The **Technology Upgradation Fund Scheme (TUFS)** was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine taned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

- For speedy modernisation of the textile processing sector, Government has introduced *w.e.f.* 20-04-05, a credit linked capital subsidy @10% under TUFS, in addition to the existing 5% interest reimbursement.

- For small scale textile and jute industrial units, Government has enhanced, the rate of Credit Linked Capital Subsidy (CLCS) from 12% to 15% *w.e.f.* 13-01-05.

- In order to facilitate modernisation of the Powerloom Sector, Schemes such as **High-tech Weaving Parks, Modernisation and Strengthening of Powerloom Service Centres, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @20% have been introduced.** Also, the Government has enhanced, *w.e.f.* 13-01-05, the capital ceiling for machinery from Rs. 60.00 lakh to Rs. 100.00 lakh under 20% capital subsidy scheme-TUFS.

- To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the **"Scheme for Integrated Textile Park (SITP)"** has been introduced in July 2005.

- In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

- To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06

Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

- In 2005-06 Budget, 30 items of knitting and knitwear have been de-reserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

- Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banles to lend to the textile sector at 8-9% rate of interest.

- In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new **Apparel Training and Design Centres (ATDCs).**

- Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

- Government has dereserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

- **National Institute of Fashion Technology (NIFT)** has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

- To take a serious look at Fashion Education in the changing business context of the opening up of World Economies, Government is taking steps for:—

- ❖ Establishing an institution of National excellence for imparting Fashion Business Education with International Benchmarking.
- ❖ Appointing a nodal agency for standardizing and benchmarking Fashion Business Education in the country.
- ❖ Setting up an Apex Body to train the teachers/trainers imparting Fashion Business Education in the country.

Modernization of jute mills

†1015. SHRIMATI KUM KUM RAI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are providing/propose to provide special assistance for modernization of jute mills;

(b) if so, the details thereof; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes, Sir. The Government is operating several Schemes like the Technology Upgradation Fund Scheme (TUFS), the Jute Entrepreneurs Assistance Scheme (JEAS), JMDC's Incentive Scheme for Modernization of Jute Industry and the External Market Assistance (EMA) Scheme, which are aimed at modernization of jute mills.

(c) Does not arise.

Textile projects

1016. SHRI DWIJENDRA NATH SHARMAH: Will the Minister of TEXTILES be pleased to state:

(a) the State-wise details of the textiles projects being undertaken at present in the country;

(b) the progress made so far on each project; and

(c) the time by when these project are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The activities in textile sector

†Original notice of the question was received in Hindi.